

### REMARKS

This communication responds to the Office Action dated November 16, 2010.

No claims are amended, no claims are canceled, and no claims are added herein. As a result, claims 1-24 are now pending in this application.

#### *The Rejection of Claims Under § 102*

Claims 1-24 are rejected under 35 U.S.C. § 102(b) as being anticipated by Sacks (U.S. Publication No. 2002/0016765A1).

##### Independent claim 1:

It is respectfully submitted that Sacks does not disclose the feature of “**a virtual shopping cart hosted by a seller web site**” as recited in independent claim 1 for the reason stated as follows.

Claim 1 expressly differentiates between the seller web site and the online payment service. The Specification of the Application supports the differentiation between a seller site (provided by a merchant server 112) and an online payment service 110. (See e.g., Figure 1, and paragraphs 0018 – 0020 of the Application).

Sacks also expressly differentiates between **a seller 104** and **a payment processor 106** (a third party payment processor). (See FIG. 1 and paragraphs 0019, 0020 and 0021 of Sacks).

It is noted that Sacks refers to a shopping cart only at paragraphs 0028, 0032, 0034 and 0036, and in claims 16, 17 and 31 (as shown below with emphasis added). No other parts of Sacks refer to a shopping cart. In these portions of Sacks, it is explicitly noted that **the shopping cart is provided and managed by the payment processor 106** (rather than by a site of the seller 104). (See e.g., paragraph 0028 of Sacks). No otherwise teaching is found in Sacks. Sacks thus discloses only that the shopping cart is hosted by the payment processor (rather than by the site of the seller 104). Therefore, Sacks cannot disclose that the shopping cart is hosted by the site of the seller 104, as asserted by the Office. At least for this reason, Sacks cannot disclose the above quoted feature as recited in independent claim 1, and thus does not anticipate independent claim 1 (as well as its dependent claims).

[0028] When a buyer is redirected to payment processor 106, it may be assumed, in one embodiment of the invention, that payment should immediately be solicited and processed for the product(s) and/or service(s) involved in the transaction. In another embodiment, **payment processor 106 may provide a third-party shopping cart to track the buyer's purchases**. Thus, in this embodiment, when a buyer's connection is redirected, the buyer may be presented with **a shopping cart managed by the payment processor**. At this third-party shopping cart, the buyer may change the quantity of an item, remove an item from the cart, initiate payment for the items, return to the seller's site, etc. Because the buyer's shopping cart is maintained by the third party, it may be used for purchases or transactions involving multiple sellers.

[0032] Buyer interface 206 is configured to elicit necessary information from a buyer to create a new account, retrieve an existing account, identify a desired payment mechanism (e.g., credit card, debit card, bank account), access or update **a shopping cart**, etc. Because both buyers and sellers may have accounts with payment processor 200, payment from a buyer to a seller may be done using these accounts. Illustratively, the buyer's account may be funded with a credit card or other electronically accessible source of funds, while a seller may withdraw funds or transfer them to a bank account or other electronically accessible destination.

[0034] **Database 210 stores** various user information concerning buyers and sellers, such as account information, **buyer shopping carts**, HTML code for sellers, etc.

[0036] In state 300, **a third-party payment processor** assists a seller in configuring a link, using HTML or other similar coding, for a buyer to select when he or she wishes to complete a transaction (i.e., initiate payment) or **access a third-party shopping cart** (e.g., to add or remove an item). State 300 may thus include generating the HTML code at the third-party system or specifying for the seller the required parameters and/or structure of the code. If the code is generated at the third-party payment processing system, the seller may be connected to the system at the time (e.g., to provide details of the transaction), or the system may generate the code in response to off-line receipt of the transaction details (e.g., via electronic mail).

16. The method of claim 1, further comprising **maintaining a shopping cart at the third party for the payor**.

17. The method of claim 16, wherein said **shopping cart** is configured to track the payor's transactions with multiple payees.

31. The **payment processor** of claim 29, further comprising a database configured to store **a shopping cart** for the payor.

Independent claims 10, 18 and 22:

The previous argument presented with respect to independent claim 1 also applies to independent claims 10, 18 and 22, which have features similar to independent claim 1. Sacks thus does not anticipate independent claims 10, 18 and 22 (or their dependent claims).

Withdrawal and reconsideration of the rejection of claims 1-24 under 35 U.S.C. § 102(b) is thus respectfully requested.

*The Rejection of Claims Under § 103*

Claims 1-24 are rejected under 35 U.S.C. § 103(a) as being unpatentable over Sacks in view of Ferguson et al. (U.S. Patent No. 5,966,697).

Independent claims 1, 10, 18 and 22:

As noted above, Sacks does not disclose the feature of “**a virtual shopping cart hosted by a seller web site**”, recited in independent claim 1.

It is also respectfully submitted that Ferguson does not disclose the above quoted feature as recited in independent claim 1. On page 5 of the Office Action, the Office asserts, Ferguson “*teaches a virtual shopping cart program that resides at a seller’s site, collects information and transfers the information to the payment processor when the user checks out (FIG 2, 3 and col 3, lines 57-59).....*” A close reading of Figures 2-3, col. 3, lines 57-59 and col. 5 lines 15-25 in Ferguson reveals that a shopping cart is not disclosed at all, much less a shopping cart that resides at a seller’s site. Accordingly, Ferguson also does not disclose the above quoted feature as recited in independent claim 1.

Therefore, even when combined, Sacks and Ferguson do not teach or suggest the above quoted feature as recited in independent claim 1, and thus do not render independent claim 1 obvious.

The above arguments, presented with respect to independent claim 1, also apply to independent claims 10, 18 and 22, which include features similar to independent claim 1. Accordingly, the cited references (Sacks and Ferguson) do not render independent claims 10, 18 and 22 obvious.

All dependent claims depending from independent claims 10, 18 and 22 are also nonobvious, since any claim depending from a nonobvious independent claim is also nonobvious. *See* M.P.E.P. § 2143.03.

It is therefore respectfully requested that the rejection of claims 1-24 under 35 U.S.C. § 103(a) be reconsidered and withdrawn.

### CONCLUSION

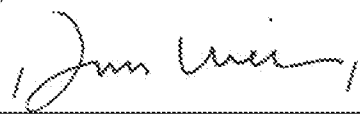
The undersigned respectfully submits that the claims are in condition for allowance, and notification to that effect is earnestly requested. The Examiner is invited to telephone the undersigned at (612) 373-6966 to facilitate prosecution of this application.

If necessary, please charge any additional fees or deficiencies, or credit any overpayments to Deposit Account No. 19-0743.

Respectfully submitted,

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